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#### Transmitted via email

April 12, 2016

Honorable Mayor Liccardo and Members of the City Council  
City of San Jose  
200 East Santa Clara Street, 18<sup>th</sup> Floor  
San Jose, CA 95113

Dear Mayor Liccardo, Vice-Mayor Herrera, and Councilmembers Jones, Kalra, Peralez, Nguyen, Carrasco, Oliverio, Nguyen, Rocha, and Khamis:

#### Re: Item 4.1 --North San Jose Development Policy

Today, the City Council will consider a report from the Department of Planning, Building, and Code Enforcement on the status of updates to the North San Jose (NSJ) Development Policy and Environmental Impact Report.

#### **We write today to request that the City Council consider stronger affordable housing provisions in North San Jose.**

For the past several years, no new housing development has been approved in NSJ pending completion of sufficient office and R&D development, which is thought to be many years away. A memo released by Mayor Liccardo, and Councilmembers Peralez and Manh Nguyen recommends consideration of actions that would enable 1,500 housing units to move forward in advance of these employment uses.

We strongly support any effort to move forward with housing development in NSJ, and agree that supporting walkable communities that integrate uses—jobs, housing, retail—is an important goal that will increase quality of life for workers and residents alike. Equally important is to ensure that North San Jose provides equitable housing choices, and that the housing that is created is affordable to area employees. Recent data produced by Working Partnerships shows that direct tech employees' incomes averaged \$113,300, white-collar contract industry workers' earnings averaged \$53,200, and blue-collar contract industry workers' earnings averaged \$19,000. At a 30% of income standard, these households could afford rents of \$2,832, \$1,330, and \$475 respectively.

Unfortunately, even though the NSJ policy has a goal that 20% of the units developed be affordable to lower-income households, only 7% of the first 8,000 units have these income restrictions. The Council and staff indicated to the community and affordable housing supporters that there would be an effort to catch up by producing additional affordable units in the next phase.

While the memo from the Mayor and Councilmembers reiterates that the new units would be subject to the City's inclusionary and housing impact fee requirements, the inclusionary ordinance only requires that 15% -- or 225 of the 1,500 units--be affordable if the units are offered for-sale. For rental developments paying a housing impact fee, it is conceivable that none of the units constructed would be affordable. This will result in a continuing imbalance of affordable housing in NSJ.

We urge the City Council to ensure that future development in NSJ is affordable to residents of all incomes, and that efforts be made to ensure that the NSJ Policy goal of 20% affordable units is met. **A good start would be to prioritize those projects that include more affordable units than currently required by City ordinance.** This is important for many reasons, including that affordable housing near jobs and the NSJ light rail stations will lessen traffic congestion. And, the City has long held that the dispersion of affordable housing throughout the community is an important policy objective.

We appreciate the opportunity to provide feedback.

Thank you for your consideration.

Sincerely,

Pilar Lorenzana-Campo, Policy Director, SV@Home

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SV@Home is the voice of affordable housing in Silicon Valley, representing a broad range of interests, from leading employers who are driving the Bay Area economy to labor and service organizations, to nonprofit and for-profit developers who provide housing and services to those most in need.